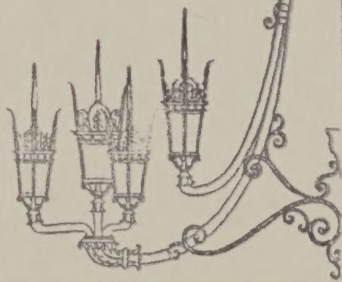


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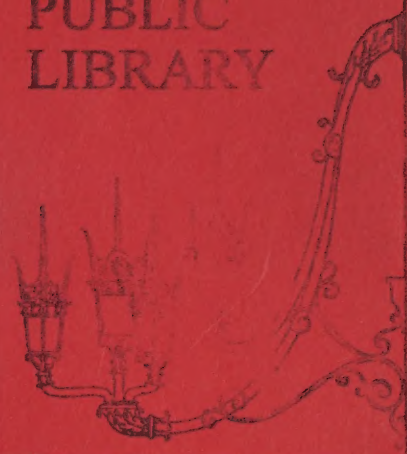
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DOWNTOWN CROSSING

Property on
~~BOSTON REDEVELOPMENT AUTHORITY~~
Library

A MERCHANTS ASSOCIATION FOR
DOWNTOWN CROSSING

Downtown Crossing
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February, 1980

Property of
BOSTON REDEVELOPMENT AUTHORITY
Library

A MERCHANTS ASSOCIATION FOR
DOWNTOWN CROSSING

City of Boston
Kevin H. White, Mayor

Boston Redevelopment Authority
Traffic & Parking Department

February, 1980



A MERCHANTS ASSOCIATION FOR DOWNTOWN CROSSING

I. Background

The Downtown Crossing has succeeded in establishing a unique identity to the downtown retail core. The area is more attractive and the priority for the area now is to build on the improvements and continue to strengthen the area in ways that will increase retail sales.

To date, the City has played a lead role in securing federal funds and reconstructing the area. However, the construction is completed and the federal funds will only run one more year. It is now time that the merchants in the area developed a strong organization to represent their priorities and needs, maintain a liaison with the City and promote the area to shoppers.

Many cities have merchant or downtown associations. As shown in this report, there are many different kinds with a variety of levels of responsibility. However, in most cities active downtown development occurs where there is a strong downtown constituency lobbying for improvements. The Downtown Crossing would not have come to fruition without the lobbying of both the Committee for the Central Business District 20 years ago and the Winter Street Merchants Association more recently.

Following is a summary on voluntary merchant groups and City-affiliated groups in other cities.

1. Voluntary Organizations

While some voluntary downtown associations got started as early as 1907, the majority were established in the fifties and sixties. These groups grew out of "the perceived need to organize downtown in order to fight for downtown wants and

needs," specifically the need to revitalize downtowns beginning to suffer from increasing emphasis on suburban living and shopping. Two basic types of associations emerged: independent groups and those linked to a Chamber of Commerce or similar group.

The International Downtown Executives Association surveyed twenty such downtown merchant organizations in cities of population over 500,000, ranging from Atlanta (500,000) to Lower Manhattan (7,895,563). The oldest group, the Downtown Association of San Francisco, was organized in 1907. The most recently organized of the groups was the Downtown Brooklyn Development Association, established in 1968. Of the 20 groups, 17 were independent and incorporated and three were affiliated with Chambers of Commerce. Membership ranged from 74 - 987 members. Most associations had no restrictions on membership, including any business or person owning property or with an interest in downtown.

Nine organizations employed only two full-time staff personnel; six employed four; three employed over five people and two organizations employed three. Twelve of the organizations paid their chief executive \$25,000 or more; six \$15 - 25,000.

The main purposes of the organizations were planning, encouraging development, public relations and promotion, and district improvement/beautification. Services provided by 13 of the organizations to carry out these purposes included: beautification projects (9), downtown transit/free shuttle bus (7), parking programs (5), security patrols (3) and cleanup programs (2). Ten associations became involved in retail promotion events, ten did not.

In terms of finances, annual operating budgets ranged from under \$50,000 (5) to over \$200,000 (3). Dues were based on sales volume, number of downtown employees, assessment, or fair share based on number of members in the organization. In addition, income was sought for special projects and promotions, in some cases via special assessments. Only the Atlanta and Kansas City groups received any federal or city funds.

Boston had its own voluntary organization in the sixties, the Committee for the Central Business District, Inc., formed in response to downtown planning efforts by the City and BRA. Although this group later disbanded, many were commemorated in the Downtown Crossing medallion for their contributions to this early planning.

2. City Affiliated Organizations

The seventies have on one hand seen more City action and investment directed toward downtown areas and on the other hand difficulty on the part of voluntary associations "in obtaining adequate funding and retaining effective leadership." Yet new federal programs - UDAG, UMTA's Urban Initiatives, CARD, etc. - call for a strong showing of support from the business-merchants community as a condition for granting funds. Further, as cities complete capital improvement projects such as downtown mini-parks or malls, merchant action, often from more than one merchant, has become necessary to ensure continued high quality maintenance and operations. (In Boston, such maintenance has been handled by leasing the parks to the private sector with special agreements covering maintenance and public access).

As City involvement in these business district improvements increases with projects such as Downtown Crossing, so

does the need for a representative organization from the downtown community to become involved in access, maintenance, operations, planning and design issues.

Mall Commissions

In many mall cities, the problem has been answered by an official commission established by city ordinance to manage the mall, control activities, exercise design review and/or participate in downtown planning. In some cases the commission is required by state law in order to set up a special assessment district for the mall stores. By making the commission responsible for ensuring merchant participation, the city gets around the problems inherent in dealing with a voluntary organization in which all merchants may not participate.

We looked at mall commissions in Memphis, Chicago, Minneapolis and San Antonio. Three of the commissions are appointed by the City Council or Mayor, with one elected on the Mayor's recommendation. Members are downtown merchants. Ex-officio members include: City Public Works Commissioner, Transit Authority representative, Mayor and City Council member.

None of the commissions has any legal powers beyond control of mall activities. In this case, the staff of the commission administers rules and regulations for access to the mall, maintenance, design control, etc. All commissions have review and advisory powers regarding planning activities.

In Memphis, Minneapolis and Chicago the Commission is funded from a special assessment levied within an improvement district created around the mall.

II. A Proposal for Boston

It seems a logical time to set up a formal merchant organization around the Downtown Crossing project. Its goals would be:

- 1) to act as an advisory group regarding continuation and expansion of improvements to the area;
- 2) to continue to act as a lobby group for effective operations and maintenance;
- 3) to be responsible, through a merchant-supported staff, for promotion of Downtown Crossing;
- 4) to set priorities for development within the area and work with the City in securing public and private financing commitments.

We feel that the three criteria which are critical to a successful Downtown Crossing Merchants Association are:

- 1) The group represents only the Downtown Crossing and is not responsible for a broader constituency.
- 2) Membership is broad-based and both large and small merchants feel represented.
- 3) The organization is able to raise funding from a variety of sources outside the City.

THE VOLUME OF THE ECONOMY

Source: International Town Executives Association Survey -- 1975

Source: International Town Executives Association Survey -- 1975

APPENDIX II

FINANCING DOWNTOWN ORGANIZATIONS

by Laurence A. Alexander*

A central role in finding funds for downtown action falls to the downtown associations.

These are organizations of local businesspeople and property owners who have a parochial interest in downtown, along with a broad interest in the central city.

Downtown associations, sometimes independent and sometimes linked to other business-oriented associations like chambers of commerce, work in several ways in the funding processes of downtown.

First, they often raise funds unavailable through other sources for downtown planning, traffic studies, economic analysis and similar projects.

Second, they will frequently raise the funds for public information services, public relations, advertising and promotional work. This will cover both the image projection and the commercial promotion kinds of work.

Third -- and by far the most important -- they work very hard to create better attitudes toward downtown among downtowners themselves, with other business leaders and groups, at city hall and with the press and the general public. These better attitudes are absolutely fundamental to unlocking virtually all sources of money for downtown. With negative attitudes, downtown is unfundable. With good and improving attitudes, many downtown projects will become increasingly fundable.

Fourth, there are some new ways in which downtown associations are working -- that involve big money -- and which are covered at the end of this article.

The Nature of Downtown Associations

Let's for a moment look at the nature and purposes of downtown associations as a route to understanding them, their work -- and their capacity for raising funds and for unlocking additional funding treasure chests.

There are, underway in many cities today, wide-ranging programs of revitalization work for downtown. These programs take in the full range from building a single parking lot to large-scale redevelopment. In many of these cities organizations, usually called downtown associations, have sprung into being. They aim to stimulate downtown revitalization work and direct it into channels they think are most beneficial. First impressions indicate that some of these organizations are highly effective while others are not. In any event, these organizations are emerging as permanent and significant forces in the revitalization of America's downtowns.

Definitions of Downtown Associations

I. Downtown associations originally concerned themselves largely with immediate competitive problems vis-a-vis suburban shopping centers and roadside retailing

complexes. More recently they have shifted their focus to the correction of certain underlying problems. These fall largely in the broad areas of parking, traffic and beautification. Some of the downtown associations have also moved into a planning and renewal role. In this, they seek to understand urban change, participate in community decision-making on issues which impinge upon the central business district and, particularly, to establish an effective role in urban planning and renewal. Thus, these organizations have moved from a primary concern with today's retail sales to a deep involvement in the planning and renewal processes with short and long-range goals.

II. Downtown organization is a process by which a downtown identifies its needs or objectives, orders (or ranks) them, develops the confidence and will to work at them, finds the resources (internal and external) to deal with them, takes action in respect to them, and in doing so extends and develops cooperation and collaborative attitudes and practices in downtown.

III. A neighborhood business association may most easily be described in terms of a mutually benefiting agreement among a group of businesspeople within a geographically integrated area, sharing similar problems, needs and goals, who realize that only through group action, that is, through the association, are they able to overcome these problems and achieve these goals.

IV. As locally based autonomous groups, the businesspeople's urban improvement organizations have interpreted community improvement according to their own interests and concepts. Although they have been influenced by public and private, national and state programs, especially those offering financial assistance, their objectives have varied from city to city and over time.

Prior to 1966 most of the organizations were concerned largely with physical improvements. By 1967, however, several had reacted vigorously to urban violence and riotous demands from ghetto areas. They added or greatly increased concern for economic and social community improvements, especially in regard to people in poverty and of minority groups. These organizations have continued this broadened view of urban improvement.

The most common objective among businesspeople's urban improvement organizations . . . has been downtown revitalization and rebuilding, both with and without the public powers and funds of urban renewal.

V. The main function of downtown associations, their overt purpose, is to preserve or enhance the economic position of all the members and to improve downtown. Each member, however, is concerned fundamentally with his own economic goals and those of the business or property he represents. They are thus what have been termed, mutual benefit associations. Such groups are classified according to the principle of who benefits. In mutual benefit groups the members benefit. It is not the benefit of the whole group as an entity that is the goal. It is the benefit of the members as individuals or corporations that is the goal. The overall benefit is derivative.

We see that while voluntary associations at the local level do have specific goals in terms of tasks to accomplish, they also have another fundamental goal: developing local ability to solve local problems. For downtown associations, this means retaining a role in making decisions and taking actions upon which downtown's own welfare rests.

Funding Techniques

One survey (published in the late 1960's) among 42 downtown associations of mostly fairly large cities, found the downtown associations were diversifying their financing (money raised for association budgets) away from the previous heavy reliance on assessing retailers.

In determining the contribution of each member to the support of the association, the directors commonly seek a formula. This is designed for equity, and to establish a formal procedure for a difficult task which might otherwise be a point of friction. Because of such difficulties these formulas are at best merely techniques for achieving rough equity. This survey found the following assessment techniques in use.

Bases for Funding Downtown Associations

<u>Assessment Basis</u>	<u>Associations Utilizing This Basis</u>
Percentage of gross sales	13%
Percentage of assessed property value	12%
Combination of percentage of sales and of assessed value	9%
Combination of percentage of sales and of property rental income	4%
Front footage and/or square footage	4%
Number of employees	4%
Classification used but not explained	6%
No formula used	26%

The recent pattern emerging is of increasing diversity of assessment bases employed. Previously, when these associations were more heavily oriented to merchants' problems and needs they tended to rely more on retail sales as an index of ability to pay or of equality of assessment. But the larger cities, which had the more diversified programs were already adding other assessment bases to fit the need for broadened membership support of wider programs.

Another study ascertained maximum and minimum pledges from individual firms. Fifty-three associations established minimum pledges ranging from \$10 to \$120. The modal minimum pledge is \$50. Thirty percent of the associations have a \$50 minimum.

Forty-five associations reported their maximum pledge. The maximum typically is not a limit (as is the minimum) but simply represents the largest contribution. The range of maximums was from \$360 to \$50,000. The median here is \$2,000 and the mode \$1,500.

A further study examined financing for downtown associations in smaller cities. These associations showed the following size distribution: 46 percent were in cities with under 50,000 population, 27 percent were in cities of 50,001 to 100,000 in population and the remaining 27 percent were in cities between 100,001 and 250,000 in population.

Fund raising for downtown associations in these smaller cities presents a bewildering picture. Retailers are most frequently assessed on the basis of a percentage of retail sales, or front footage. To some smaller extent, number of employees and combinations are employed. Property owners are assessed on the basis of front footage or assessed value for tax purposes. Professional and semiprofessional people are almost always charged a per capita fee. Many banks are assessed a percentage of deposits. Hotels, restaurants, parking lots and the like are assessed at a flat rate per room, table or space. Often large firms -- public utilities, large property owners, industries -- are not assessed but are "negotiated with." These assessment plans are diverse, complex and, it appears, flexible to a fault.

Looking at large downtown organizations, James E. Lash examined the financing methods of "urban improvement organizations," which were found to be very heavily downtown-oriented.

The high dedication of these businesspeople's organizations has enabled most of them to establish budgets large enough to do an effective job, and to meet these budgets, year after year, by contributions from their members without making fund-raising one of their major activities. As in most civic endeavors, relatively few provide the largest portion of financial support. Subscriptions generally come most heavily from locally based concerns such as banks and other financial institutions, public utility companies, the largest manufacturers in the community and, depending on local circumstances, major department stores. One typical group, for example, received approximately one-third of its general operating income in subscriptions from three firms -- the power company and two manufacturers. Thirteen of the 100 members provide about two-thirds of the total income.

Most of the organizations have established minimum dues for membership, but subscriptions or contributions account for most of their income. Some groups have obtained Federal demonstration grants by conceiving a project with an eligible local government entity as the sponsor, preparing and following up the application, then contracting with the local agency to carry out the project. Local philanthropic foundations have been another source of funds. The members generally provide sufficient funds to preclude the organization's dependence on government help, either in grants or fees for services, for their existence. For special short-term projects of magnitude or for particular kinds of activities, special funds are sought.

First Financing

The responsibility for fund-raising has fallen first upon the organizing groups, following the goals and commitment development during the organizing process. By consensus, discussion and volunteering, members of the organizing groups established their own contributions. Then from their knowledge of the business firms in the community they agreed on prospective members and determined an amount to be suggested to each in proportion to others. The largest contributors usually were members of an organizing group. Typically, they personally

sought a few others from the largest category. Their own contributions, as an expression of their commitment to the organization and its aims, provided the base for widening the circle of financial support. They then extended the solicitation, agreeing informally as to who would solicit whom on the bases of business association, common interest, past favors and friendship.

When required funds were not already raised before a membership committee was appointed, then that committee's first task was to enlist enough additional members with large enough dues and contributions to achieve the financing goal. Usually its members acted on their own knowledge of prospective members in deciding whom to solicit and the amount to ask for. They made the initial solicitations personally, or recruited other members, usually of the organizing nucleus, who were deemed more appropriate or persuasive solicitors.

Sustaining Support

Equity, or "fair share" financial support, is generally an aim of membership committees. In a few cases, equity has been sought on the basis of a formula derived, for example, from assessed values of members' properties in downtown or numbers of employees.

Unlike many local groups, businesspeople's urban improvement organizations have not used professional fund-raisers. They have used public relations firms, however, to prepare material explaining the organization's aims and purposes as an aid to fund-raising.

Evaluation -- And a Look at Two Important New Funding Methods

Experience over the past few years established the importance of downtown associations, validated their success and indicated the general form and structure they assume. There are new trends and directions for these associations flowing out of their own experience and from the issues and problems now facing central business districts. Each of these has direct, large-scale meaning for downtown associations and for downtown fund-raising.

First, some downtown associations are establishing related development corporations. These may be profit-making or not-for-profit. In either case they build on the downtown association's membership base and usually employ the association's executive director. They undertake primary responsibilities in physical development and/or participate with other developers. They strongly involve local businesspeople in spurring development and in supporting it with skills and funds.

Second, downtown associations are becoming involved in an operating role for various downtown facilities. For example, some downtown associations manage parking systems, often under contract to a parking authority, and they operate parking validation programs. They are managing downtown shuttle transit systems. In some downtowns the association develops programs for and operates the mall: those are the places where streets are closed to cars and beautified, and where the downtown plans and manages activities and promotions. In a new concept: creation of downtown improvement districts with powers to plan, tax, raise other funds, build and run things, downtown associations are undertaking the operational role.

Bibliographic Notes

There is not much literature for studying downtown associations and their funding. The first comprehensive look at many aspects of these was in my 1966 publication, Downtown Associations: Their Origins, Development and Administration published by Downtown Idea Exchange, New York, New York.

Emphasizing a different sub-sample of the downtown association, is the report by James E. Lash, Businessmen's Urban Improvement Organizations published by the Institute of Public Administration in New York, New York. This is largely a few case studies analyzed and stresses operating functions in large cities.

The report, Towards The Effective Business Association, by Ted Silberberg, et al, aims chiefly at small commercial streets in Canada. It is the least searching or analytical but most focused on small areas. Published by Project: Saving Small Business, Thornhill, Ontario, Canada. 1974.

APPENDIX III

Merchant Group Contacts

Massachusetts

Newburyport Chamber of Commerce

Dennis Welcome, Director 462-6680

Quincy Center Business and Professional Association

Austin Wicken, Director 471-3232

Lynn Merchants Association

Steve Stauru 598-6800

Fitchburg

PRIDE, Inc.

Richard Moriarty 343-6406

New Bedford

WHALE (Waterfront Historic Area League)

John Bullard 996-6912

or Catherine Hickok

Brookline Chamber of Commerce

Bernard Garber, President 232-7707

Salem Market Area Management Commission

Angela LeBlanc 745-4470

Out-of-State

Chicago

State Street Council

36 South State

Chicago, Illinois 60603

(312) 782-9160

Charles Gardiner, Director

Memphis

Mid-America Mall

14 South Main

Memphis, Tennessee 38103

(901) 526-6837

Ms. Betsy Kelly, Manager of Marketing

APPENDIX IV

BUSINESS DISTRICT ADVISORY BOARD MID AMERICA MALL

Rules and Regulations (Revised 9/13/76)

The Business District Advisory Board, hereinafter known as BDAB, recognizes the need to stimulate quality business, activity, and interest as essential to the success of Mid America Mall. To that end the BDAB has established the following rules and regulations:

1. APPLICATIONS for permits, leases, or special permission shall be made in writing to the BDAB office, 14 South Main Street.
2. PERMIT FEES are to be collected upon issuance of permit.
3. LEASES are collectible as negotiated.
4. AMPLIFIED NOISE is prohibited except by special permission of the BDAB.
5. MOTORIZED WHEELED VEHICLES are prohibited except for official Mall transit and vehicles for the handicapped.
6. MANUALLY PROPELLED VEHICLES such as bicycles, skate boards, and roller skates are prohibited unless specifically approved. Such vehicles shall at all times proceed in single file and yield to pedestrians.
7. MANUALLY PROPELLED VEHICLES such as strollers and pushcarts are permitted at all times, but shall yield to pedestrians.
8. FLOODLIGHTS AND SPECIAL LIGHTS are permitted where they conform to the provisions of Article II (Signs) and by permit..
9. AMPLIFIED MUSIC is prohibited except by special permission of the BDAB.
10. MACHINES are approved by permit or lease agreement.
11. ENCROACHMENTS are approved by permit or lease agreement.
 - (a) APPLICATIONS for encroachments must be made to the BDAB office at least one (1) week in advance of said encroachment.
 - (b) AT THE TIME OF APPLICATION, the owner/operator or establishment operator shall sign a hold-harmless agreement in favor of the BDAB and the City of Memphis.
 - (c) POLITICAL, RELIGIOUS, OR CULTURAL ACTIVITY shall require a permit, except that such activity will be allowed without permit at the Orator's Circle located in Court Square.

12. (1) THE BDAB WILL APPROVE no more than ten (10) food and beverage carts to operate on the common Mall at any given time.
13. SIDEWALK ACTIVITY is approved by permit.
 - (a) APPLICATIONS for sidewalk sales activity must be made to the BDAB office at least one (1) week in advance of said activity.
 - (b) AT THE TIME OF APPLICATION, the owner/operator or establishment operator shall sign a hold-harmless agreement in favor of the BDAB and the City of Memphis.
 - (c) SIDEWALK SALES by merchants are prohibited except by permission of the majority BDAB or special promotions in which a majority of the merchants participate.

GENERAL:

1. All operations for which permits or special permissions are granted must be well-maintained and in good working order.
2. Any and all designs should be presented in detailed, professional form to the Design Review Board for approval. The Board will have final decision-making power over the visual aspect of encroachments on the Mall. If the Board does not approve the design, the vendor will be told where the problem exists and the Board will suggest possible solutions. The vendor should then have the problem corrected for re-submission to the Board.
3. Upon approval of the design, the vendor is free to select a carpenter or company to build the concession or paint the cart to conform to regulations.
4. During the first week of service on the Mall, the operation will be inspected by the Design Director of the BDAB, who shall determine if the operation is consistent with the approved plans. If it is, the Design Director shall file a letter with the Design Review Board stating final approval. If it is not, the Design Director shall submit to the operator a letter indicating steps to be followed to correct the situation; and the date by which they must be completed. If the problem is not corrected in the given time, the permit to operate shall be revoked, and normal avenues of appeal will apply. Periodic inspections of the operation will be made with the results reported to the Design Review Board.

BUSINESS DISTRICT ADVISORY BOARD

The Applicant covenants and agrees to quit and surrender the said premises at the end of the occupancy in the same condition as at the commencement, ordinary use and wear thereof only excepted; and to abide by and conform to all rules and regulations from time to time adopted or prescribed by the Business District Advisory Board; and to save the Business District Advisory Board and the City of Memphis harmless and to indemnify any claims or liability for compensation under any Compensation Act, Public Liability and/or Property Damage Liability which may arise or accrue by reason of the use by the assignment of the space. Applicant agrees to carry insurance in the amount and kind as may be set out by the Business District Advisory Board and the City of Memphis or their agent.

Applicant agrees to the following express covenants and conditions, all and everyone of which the Applicant hereby covenants and agrees to keep and perform:

1. The handling of baggage, luggage and scenery, or other services desired by Applicant, shall be solely at his expense.
2. In case the rented premises or any part thereof shall be destroyed or damaged by fire or by any other cause, or if any other casualty of unforeseen occurrence shall render the fulfillment of this contract impossible, the Board and the City shall not in any case be held liable or responsible to the Applicant for any damage caused thereby.
3. In renting said facilities to the Applicant, the Board and the City do not relinquish and do hereby retain the right to control the management thereof and to enforce all necessary and proper rules for the management and operation of the same.
4. All exhibits and other items are placed at the sole risk of Applicant. In the event that the several portions of said facilities are not vacated by the time and date above named, then the City shall remove from said facilities at the expense of the Applicant all goods, wares, merchandise, and property of any damages or loss to such goods, wares, merchandise or other property which may be sustained either by reason of such removal or the place to which it may be removed, and the Board and the City are hereby expressly and completely held harmless from any and all claims for damages of whatever kind or nature. The Board and the City assume no responsibility whatever for any property placed in said facility, and said Board and City are hereby expressly released and discharged from any and all liability from any loss, injury, or damage to property that may be sustained by reason of the occupancy of said facilities under this agreement, and all watchmen or other protective service desired by the Applicant must be arranged for by special agreement. Articles/items/merchandise/crafts left in vacated booth may be stored by the City and Applicant will be responsible for any storage costs therefor.
5. Said Applicant shall not injure, or mar, or in any manner deface the premises and shall not cause or permit anything to be done whereby the said premises shall be in any manner injured, marred, or defaced. If said premises or any portion of said space during the time of this use shall be damaged by the act, default, or negligence of the

Applicant or his agent, employees, patrons, guests, or any person admitted to said premises by said Applicant, the Applicant will pay to the City upon demand such sums as shall be necessary to restore said premises to their present condition.

6. The Applicant warrants that every member connected with the purpose for which said facilities are rented, shall abide by and conform to and comply with all the laws of the United States, the State of Tennessee and all rules, regulations and ordinances of the City of Memphis together with all rules and requirements of the Police and Fire Divisions of the City of Memphis and the Business District Advisory Board and will not do or suffer to be done anything on the said premises in violation of any such rules, laws or ordinances.
7. Business District Advisory Board and City of Memphis reserve the right, through their managers or representatives, to eject any objectionable person or persons from said premises and upon the exercise of this authority, the Applicant waives any right and claim for damages against the Business District Advisory Board and the City of Memphis or any of their officers or agents.
8. Applicant will permit no chairs or movable seats to be or remain in the passageways except by special permission and will keep said passageways clear at all times. No portion of the sidewalks, entries, passages, vestibules, doors, and ways of access to public utilities shall be obstructed by the Applicant.
9. Applicant agrees he will not assign this agreement, nor suffer any use of said premises other than herein specified, nor sublet the premises or any part thereof.
10. Lessor shall have the sole right to collect and have custody of articles left, lost or checked in the booth or on the premises.

Date signed:

Applicant

Date signed:

Business District Advisory Board

Title

APPENDIX V

EXAMPLES OF MANAGEMENT PROGRAMS FOR DOWNTOWN CROSSING MERCHANTS*

After the organization and incorporation of a merchant's association, a variety of programs can be initiated to develop a public image. Successful implementation of promotional management programs (examples of which are included below) can greatly enhance Downtown Crossing's ability to capture a larger portion of the available market by reinforcing the distinctive identity of the area.

Any such program requires coordination. For example, individual stores must agree to remain open for business during uniform hours. The success of an event is inhibited by any sign of disorganization such as closed, or early closing, stores. Another aspect of coordination is the comprehensive use of the Downtown Crossing logo. Effective use of the logo goes beyond use on banners and in advertisements. Ideally, the logo should be printed on every shopping bag that merchants give out. In this way not only do stores have walking billboards, but the association as a whole becomes known as an entity, and the probability of cross-shopping among Downtown Crossing stores is increased.

Some examples of events which could be adapted to the Downtown Crossing are:

- Entertainment is scheduled on the plaza of the headquarters building of First National Bank of Chicago three afternoons a week from April to September. Geared towards office workers on their lunch break, programs consist of music, fashion, dance, and exhibitions. While not encouraged, street entertainers are tolerated.

Initially, the job of plaza coordinator was a full-time position, after five years of experience, an entire summer's worth of activities can be scheduled in a one month time frame. Even with this being the case, one person is employed as plaza coordinator for eight months out of the year.

Contact: Ms. Nancy Warnecke, First National Bank of Chicago, 20 South Clark, 11th floor, Chicago, IL 60670. Telephone: 312/732-5565.

*Prepared by Project for Public Spaces, Inc.

- In San Francisco, Ghirardelli Square has a daily program of street entertainers who work on a pass-the-hat basis. All entertainers are screened by the director of public relations and assigned a time to perform. Once a month a major entertainment program is scheduled.

Contact: Ms. Monroe, Director of Public Relations, Ghirardelli Square, San Francisco, CA. Telephone: 415/775-5500.

- In Detroit, the city's recreation department works with the local federation of musicians to provide musical entertainment on Phillip Hart Plaza. Events are held three afternoons and one evening a week.

Contact: Ms. Tait, City of Detroit, Recreation Department, Detroit, MI. Telephone: 313/224-1100.

- Once a year, the city of Cleveland, through the Greater Cleveland Growth Association (GCCA) sponsors "People Days," an event designed to promote downtown Cleveland as a shopping district. All stores are encouraged to participate in the activities by "jazzing-up" their sales pitches. The day is highlighted by department stores using live "mannequins" in their windows and by a fashion parade through the streets of Cleveland.

In addition, the GCCA sponsors a city-wide event known as "Party in the Park," from 5 PM to 8 PM on sixteen consecutive Fridays. A "party" is held in a different downtown Cleveland parks. "Party in the Park" is truly that, a party. Beer is sold (25¢ a cup) and musical entertainment is provided (donated by the local musicians union). An average of 12,000 people attend each "party." One of the truly notable aspects of "Party" is the cooperation exhibited by various groups. Not only do musicians donate their time, but the media cooperates by advertising the event (one local TV station broadcasts a live show from "Party"), the police assign officers to "keep the peace" (it's a highly sought after assignment among Cleveland Police), and every week a different group of 40 to 100 volunteers pour the beer and clean-up

(volunteers are members of established civic organizations e.g. Boy Scouts and receive the week's profits).

Initially, the coordinator spent 60% of his time on preparations. It's now down to one hour and a half maximum for both the coordinator and his secretary.

Contact: Mr. Bob Zion, Greater Cleveland Growth Association, 690 Union Commerce Building, Cleveland, OH 44115. Telephone: 216/621-3300.

Other kinds of events are art and craft fairs; information fairs (where booths are occupied by non-profit groups concerned with such issues as solar energy; by fund raising groups such as the Red Cross); and chalk-in (where children -- and adults -- are invited to decorate the sidewalks with chalk murals). The possibilities are endless. The initial decision is simply whether to make the event participatory (e.g. chalk-ins), or not. Events such as these require a great amount of advance planning and preparation. To begin planning six months in advance is neither unusual or overcautious. Events also require varying amounts of capital expenditure for entertainment, clean-up, security, carpentry, and electrical work -- not to mention the man-hours of planning and arrangement.

Events, if done regularly and not over commercialized, can serve to implant a long-lasting image of Downtown Crossing in the minds of Bostonians.

Sales on event days are unpredictable: entertainment tends to compete with business. Yet if merchants realize this and use the occasion to present an attractive image of Downtown Crossing as a place to shop, people who come because of the event will carry this image with them and will return to Downtown Crossing.

EXAMPLES OF MANAGEMENT PROGRAMS IN OTHER CITIES

Syracuse -- population: 197,000.

The management program was initiated by the Metropolitan District Authority in 1975. A Downtown Committee serves as the steering committee for the management program. It is comprised of fifteen members who are appointed by the Mayor and serve one to three year terms. They meet once a month.

Administration -- Executive Director: Irwin Davies, 315/422-8284. He is responsible for the entire CBD. The program has eleven employees.

Funding -- A special assessment district was created by the City through a local ordinance. All property owners are assessed according to the square footage and a formula for assessed valuation.

Budget -- Total \$300,000. 10% Administration, 8% Security, 18% Maintenance, 34% Programming and Promotion, 26% Parking, and 4% Other.

The management program shares administrative staff with the Metropolitan District Authority.

Maintenance -- City continues all services. Management provides a supplementary crew of two paid employees and five CETA workers. There is a Director of Environmental Maintenance who is responsible for supervision of the supplementary crew, coordination of public and private maintenance programs, and working with merchants. The merchants are very happy with the changes in the level of street cleanliness.

Security -- The management program hires off-duty police officers on Friday night and Saturday. (Syracuse does not have as severe a security problem as some other cities, such as Hartford.)

Parking -- The management program provides \$80,000 for a "free parking for shoppers" program.

Programming -- The management program coordinates all public space programming, including an Arts Festival, a Downtown Christmas Program, a Newsletter, and a "Hats Off" Program for store promotions.

Retail Mix -- The Manager and his assistants work extensively with the merchants. They get very involved with individual merchant's problems. They also work with realtors to fill vacant stores.

Promotion -- The management program has a Director of Public Information who puts out a date book on the downtown, helps merchants with cooperative advertising, and does some economic development.

Capital Improvements Planning -- The management program has bonding power for capital improvements. Syracuse presently has no major projects in progress. There are no auto free areas and no restrictions on deliveries.

Vendors -- The City assigns locations.

New Orleans -- daily working population: 70,000.

The management program was initiated by the Downtown Development District in cooperation with the City Administration in 1975. Previously, New Orleans, like Hartford, had experienced neglect from the City Administration and the Downtown Community.

Administration -- Executive Director: Tom Cucullo, 504/561-8927. One Assistant Director, two clerical workers, a maintenance officer, and a supplementary maintenance crew. There are eleven officers in the security force.

Funding -- There is a special assessment district with a nine member board of tenants and landlords. This board determines the "level of tax" ceiling assessment. Four are appointed by the Mayor, five are suggested by the Mayor and elected by the Chamber of Commerce.

Budget -- \$1,200,000. 67% Services and 33% for Capital Improvements.

Maintenance -- A full-time maintenance officer works with the Sanitation Department and merchants, and supervises a supplementary crew to keep the streets and sidewalks clean. He has the power to give out tickets to offenders (in 1976 he took twenty-five cases to court). This part of the program has been very successful.

Security -- The management program funds a special "Downtown Force" which is separate from the Police Department but works closely with the police. Exaggerated perception of crime was the main problem. This security force has made a lot of difference in how people now feel about the downtown.

Parking -- \$20,000 out of the Maintenance budget goes to alleviating parking problems. (We do not have a break-down of what that money is used for.)

Programming -- Most of the downtown activities such as the Arts Festival, Jazz Festival, and six weeks of concerts are supervised by other groups.

Retail Mix -- Two members of the Retail Merchants Bureau sit on the Board. The City has zoning requirements for the location of retailing on specified streets. The Manager gets very involved in individual merchant's problems and acts as a liaison between downtown merchants and City Hall.

Vehicular Control -- 35% of all employees come to the downtown via public transit. There are no auto-restricted streets although there is a feasibility study going on now. There are very restrictive parking regulations with twenty full-time officers to enforce these restrictions. There are no delivery restrictions.

Promotion -- Weak now. The Board is in the process of making up a comprehensive information system.

Vendors -- Vendors are well organized. There are nine approved locations.

Notes -- The process of developing the program was most important. It involved a major cooperative effort between the City Administration and the Business Community.

Fulton Mall -- Brooklyn, New York.

A management program was established through a board of directors of a not-for-profit business corporation.

Administration -- Executive Director: Michael Strasser, 212/852-5118.

Funding and Budget -- They can send an annual report.

Maintenance -- The association has a contract with a private maintenance group which cleans the street along the mall, seven days a week, during store hours.

Security -- A three man CETA force patrols the mall during store hours. They maintain a presence on the street and work closely with the local police precinct.

Programming -- None.

Retail Mix -- No vacancies.

Promotion -- The Manager puts out a semi-weekly newsletter which attempts to bring merchants together.

Downtown Management Programs Funding Sources

Tax Increment - Finance District (Port Huron, Michigan).

New Development Tax Revenues used for capital improvements in the designated area.

Local Improvement District (Seattle, Washington).

Sixty percent of the property owners vote to form district for capital improvements -- taxed by frontage foot/given range of cost.

Special Assessment District (New Orleans, Louisiana; Syracuse, New York).

All properties (including those owned by any level of government) are assessed according to local ordinance by square footage, formula of valuation, frontage foot, or a combination. In Syracuse resultant funds are used only for costs of the management program. In New Orleans one third goes for capital improvements and two thirds goes for the management program.

City Funding (Chicago -- City/Federal).

Federal Funding (Providence, Rhode Island).

Initial to be taken over by Chamber of Commerce after two years.

State Funding.

Voluntary Assessment.

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